

CONSEQUENCES OF COVID-19 ON INDIAN ECONOMY

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ABSTRACT

The outbreak of the primary case of covid-19 was announced in the southern state of Kerala in late January 2020 resulted in a meticulous struggle in economical activities. The majority of economies will lose at the minimum 3 per cent of theirs GDP. According to the statistical analysis, about 7.3% of the Indian economy diminished which seems to be a pathetic downturn ever expected since the department started comparing GDP stats quarterly in the early 1996. It brought a huge impact in the country's demands nearly, one crore menial workers lost their livelihood and entered their motherland at once the government announced 41days lockdown on 12th May 2020. But, the global rise is predicted to hike since a calculated 2.9 per cent in 2019 to 3.3 per cent in 2020 and 3.4 per cent in 2021. Consequently, the effect of corona virus anywhere there is an emergency on the healthiness of the people, contrarily already weak economy may get a bigger bluster. Government of India be in need of persistently monitor the swiftness of growth furthermore to grant essential support and assistance to the Indian Industries. In this paper, we have portrayed the unfavourable effects of Covid - 19 on the Indian economy and the theoretical ways to prevail over the crisis.

Key words: Covid-19, struggle, livelihood, lockdown, crisis.

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INTRODUCTION

The objective of this paper is to review the consequences of Covid- 19 on the Indian economy. The Covid - 19 second wave has harshly bare and exacerbated existing accessibility in the nation's economy. India's \$ 2.9 trillion nation remains closed for the period of the confinement period, excluding a few indispensable services and actions. The familiar divisions of the economy have been most terrible strike by the world pandemic. India's GDP reduction for the duration of April-June could well be over 8% if the informal sectors are measured. Every component of the main sectors of the country were affected negatively except the principal sector. The nation's economy was facing headwinds much earlier than the arrival of the second wave. Tied with the civilized calamity and soundless action of the government, the Covid-19 has been released to the elements and aggravated existing unfairness in the Indian economy. The retrenchment of the country would maintain subsequently 4 quarters and a downturn is to be anticipated. One and all have the same opinion that India's economy is bearing for its whole year reduction. The surveys carried out by the Centre for Monitoring Indian Economy proves a sharp rise in unemployment rates, in the series of 7.9% to 12% during the April to June quarter part of 2021. The COVID-19 pandemic has an effect on the manufacturing and the services sector like

hospitality, healthcare, tours and travels, hotels, education, retail, real estate, banks, health, IT, recreation, media and others. The economic force has on track and will raise swiftly. Whereas lockdown and social separation effect in efficiency failure, on the one hand, they source a jagged reject in insist for goods and services by the customers in the marketplace on the other heading to a fall down in trade and industry activities. Nevertheless, lockdown and social isolation are the only cost effective tools obtainable to control the spread of Covid 19. The government are gaining knowledge by doing as it was in the casing of achievement of repression approach in the district of Bhulwara belong to the state of Rajasthan in India. The financial risk of closing the economy stay behind nevertheless. In the same way, becoming the caseload arch is serious for the economy at vast, but it gets nearer with a financial outlay.

Research Methodology

The present study is mainly based on secondary data collected from various sources like journals, magazines, books, government records, articles, publications and information collected from the internet. For the purpose of analyzing the data some statistical tools and methods were used and results have been interpreted.

Objectives of the study

- To observe the GDP of the nation during Covid-19
- To evaluate the sector- wise impact
- To understand the demand side effect (Public and Private consumption)

ANALYSIS AND DISCUSSION

CONTRIBUTION TO GDP: SECTOR-WISE 2021-21

SECTOR	CONTRIBUTION (per cent)
Agriculture	20.18
Service	53.79
Industry	25.94

India's GDP is the evaluation of its economic situation. Different sectors and their payment in it. The service sector is the largest sector in India with the Gross Value Added at current prices as 96.54 lakh crore in 2020-21. At present, the service sector accounts for about 54 per cent of Indian GVA of 179.15 lakh crores. The Industry sector lags with 25.92 per cent benefaction and agriculture is the third place with 20.19 per cent donation.

Demand and Supply side impact

Thousands of enterprises look towards an existential hazard. Almost 3.3 heaps of work forces are at threat of

losing their livelihoods. Exclusive of the means to make an earning throughout lockdowns, numerous are incapable to provide for themselves and their family members. For the most part, no revenue means no food and had a lesser amount of nutritive food. Border shutters, trade limitations along internment events have been avoiding farmers from accessing market places, counting for buying raw materials and promoting their products and agriculture labourers from harvest crop therefore troublemaking household and global food supply chains and falling access to healthy, safe and divorced diet. Commerce deemed non-essential closed and their employees were advised to stay home. This cause an enormous supply shock. A few policy makers and economists disagreed early in opposition to government incentive which is the usual reaction to a shock caused by a lack of demand, as conflicting to supply. It is besides feasible that the decline of demand will have larger financial effects than the supply shock that cause it. Workers in shuttered industries lose spending power, demand drops in all sectors. This is able to drain income from smooth impervious workers and dampen down their keenness to use.

Hospitality Sector

Since various states have been forced to small area lockdowns, the hospitality sector is facing a restate of 2020. This accommodation division includes many businesses such as bars, beds and breakfast, restaurants, nightclubs, pubs, and more. This sector that has supplied a large portion of India's yearly GDP has been smack hard by restrictions and curfews imposed by the states.

Tourism Sector

The hospitality sector is coupled with the tourism sector. This part that provides work for thousands of Indians faced vigorous back when the first wave however the second wave of Covid 19 was back for the destruction. The tourism sector donates nearly 7% to India's annual GDP. It includes hotels, home stays, motels and others. The limitations owing to the second wave have gamed the tourism sector that was previously aggressive to get over from the early loss suffer by the businesses in 2020.

Aviation and Travel sector

Aviation and former sector concern faced enormous resistance throughout the second wave of the pandemic. The biggest travel sector as well as captivating a thump as people are frightened to leave of their homes. Airlines and also the larger travel sector, its recovery can rely on whether or not individuals in future prefer such services. In the present situation, the attitude for the aviation and wider travel sector will not look smart.

Automobile sector

The automobile sector is anticipated to stay behind pressure in the near term as a result of Covid 19 situation in India.

Real Estate and Construction sector

The real estate and building activities have begun facing trouble when the second wave as a numeral of drifter workers has left the urban region. This circumstance has not been serious of 2020 for this sector.

GOVERNMENT SUPPORT TO CONFRONT COVID-19

- Monetary measures that have been stated this phase consist of broad based tax relief, income subsidies, redundancy benefits, the adjournment of utility bills, and rent payments, credit relief lump-sum payments to domestic.
- Loans and loan assurance to businesses as well as fairness investment by government in troubled companies.
- These events of all progress from the critical necessitate to put off a disastrous economic fail that would have human, social and health effects.
- Government could obtain bonus benefits by aiming to maintain measures that attain dual dividends and help make certain that longer term guidelines objectives are not sacrificed for short term economic incentives.
- Support approved through the fiscal system will play a significant role. But we desire particular inquiry.

FINDINGS AND CONCLUSIONS

The outburst of corona virus has hard-pressed the whole world into a position of indistinctness. This current misery is a total change from recessions that already had faced in 2008. This has many impacts such as misrepresenting the mindset of people, confront for the industry, unexpected defeat the global economic arrangement. Each one is frustrating to measure this epidemic. It is convinced that we are progressively adjusting the changes towards our life in an everlasting manner.

The majority of industries have augmented flexibility to work distantly and allow their employees to work at home. While these procedures were already on track, they have now going to be new customary very soon. Risks to supply chains are considerable and will have long term shocks. Hence it is significant that we get better competence in order to counteract the impact of unexpected proceedings. We require hurriedly renovate the earnings of business and restart the imaginative state which was ruined by the danger. A single virus has confounded the whole world which is away from conceivable for mankind. The essential knowledge we have learnt so far is the criticality of on the whole price control in business and existing our livelihood to the least.

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